

### *Interest-Free Loans to Assist Struggling Small Businesses Now Available*

June 17, 2009

WASHINGTON, D.C. - United State Senator Mary Landrieu (D-LA), Chair of the Senate Committee on Small Business and Entrepreneurship, and Congressman Charlie Melancon (LA-03) announced today that many small businesses in Louisiana may soon be eligible for interest-free loans under a new program created by the American Recovery and Reinvestment Act (Recovery Act). The newly-launched "America's Recovery Capital" (ARC) program allows small businesses to take out loans of \$35,000 to pay down existing business debts. Borrowers pay no interest on the ARC loans and repayment does not begin for one year.

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**"Many of Louisiana's Main Street businesses - like small businesses throughout the nation - have played by the rules but are struggling to keep their doors open during these tough economic times," Sen. Landrieu said. "These loans will give small businesses the immediate help they need to stock their shelves, pay their bills and help boost our local economy."**

**"While south Louisiana's economy has been a bright spot compared to other parts of the country, many of our small businesses are nevertheless going through a rough patch and could use a boost," said Rep. Melancon. "These loans, while modest, are enough to give small business owners breathing room so they can pay their bills, retain employees and continue supporting our economy in south Louisiana."**

To qualify for the ARC loans, small businesses must demonstrate they are experiencing immediate financial hardship due to the economic downturn, but are otherwise deemed by the Small Business Administration (SBA) to be viable. The loans will be made by commercial lenders and can be used for payments of principal and interest for existing, qualifying small business debts like credit card obligations, mortgages, lines of credit, and balances due to suppliers, vendors, and utilities.

In addition to the ARC loan program, the Recovery Act contained other measures aimed at helping small businesses access credit. For instance, the Recovery Act increased the percentage of a loan that the SBA can guarantee, made SBA-backed loans more affordable, and provided tools to unfreeze the small business credit markets, helping small companies access capital at affordable rates.

To apply for ARC loans, businesses should visit their local SBA-approved small business lenders. Senator Landrieu and Congressman Melancon urge Louisiana businesses interested in a loan to contact the SBA as soon as possible, as the ARC loans are only available until appropriated funding runs out. Additional information about the ARC loan program is available at <http://www.sba.gov/recovery/arcloanprogram/index.html> .

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